The SAPMC (South Australian Property Management Community)

response to the Residential Tenancies Review discussion paper

December 2022

*Prepared by Brett Wheatland in collaboration and on behalf of the **SAPMC** membership and includes a number of members from the following:*

- ***SAPMC Review Committee***
- ***Harcourts South Australia***
- ***Ray White South Australia***
- ***LJ Hooker South Australia***
- ***First National Real Estate South Australia***
- ***Society of Auctioneers and Appraisers***
- ***REISA***
- ***REIV***

INTRODUCTION:

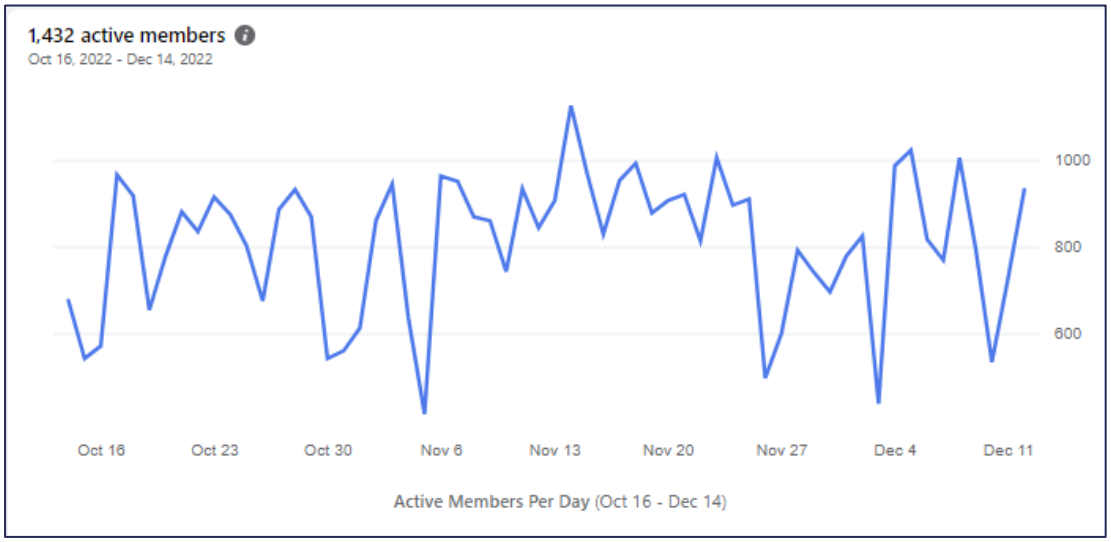
The **South Australian Property Management Community** (SAPMC) is the largest group of professional licensed Property Managers in South Australia.

Representing an engagement of more than 1350 Property Managers (of which includes Assistant Property Managers and Agency Principals) working across South Australia in their professional capacities, representing tens of thousands of private landlord investors, the SAPMC provides a modern-day platform and voice for Property Management professionals to discuss, collaborate, share and engage in all areas of Residential Property Management and has been an effective industry tool since its inception since 2015.

The SAPMC been has actively working with the South Australian Government and more specifically Consumer and Business Services, Tenancies, Bonds and SACAT in a harmonious relationship since the inception of the industry stakeholders group meetings which commenced in 2015.
It's founder Brett Wheatland, has been at the coal face of Property Management for more than 20 years, and is considered by his colleagues as one of the most influential people in the industry with a knowledge of Residential Tenancies second to none.

Brett also proudly provides industry consultive services for Real Estate agencies across the country and currently holds the position of Advisory Board Member for *The Society of Auctioneers and Appraisers*, with a membership that incorporates approximately 400 members, including Property Managers.

The SAPMC has been recognised as the most impactful voice when it comes to daily engagement with the Property Management industry with its incredible ability to effectively provide a vessel in delivering and sharing crucial information quickly and transparently.



The SAPMC is operates as a free and community that continues to drive the Industry forward by helping educate and promote Property Investment and Housing Security as one of the most important industries in our state, and has an engagement and accessibility with every single Property Management operator in South Australia has proven.

The following response to the review of the Residential Tenancies discussion paper has been written and prepared with the collective group as a whole, which includes a cross section of both new and experienced property managers, expert franchise representatives, agency directors, industry trainers, financial investment advisors and the priceless assistance of experts from other states and jurisdictions that represent more than 10,000 property managers, some of which have been witness to the implemented legislative changes currently being considered in South Australia.

We equally look forward to further discussion on any proposed changes that are being considered, so that our industry can help shape the future of this state and advocate for a fair and just section of legislation that is effective, efficient and relevant to our most in demand housing market.

Having observed for the last 18 months, the changes in Victorian tenancy legislation, in addition to consulting with our fellow Victorian industry members, we have witnessed how this has impacted all parties on a day-to-day basis, what has worked, and what has not. We can learn from these experiences and apply them to our state during this current housing crisis. Our goal is to use the benefit of their experiences as a stronger basis for change and help bring about a more modern and stable housing market that encourages all investors to contribute towards for the long term.

SECTION 1: Longer Tenancies

Should RTA be amended to accommodate longer fixed term tenancies, perhaps up to 5 years ?

RESPONSE: The SAPMC does not see any issue in providing specific wording to outline a "no limit" to a fixed term agreement that can be negotiated between tenant and landlord.

The *Residential Tenancies Act 1995* (RTA) does not currently state any requirement or limitation on the length of fixed term for which a tenant and landlord can enter into a Residential Tenancy Agreement. Standard practice and demand for property terms are generally between 12 and 24 months which provides benefits for both parties.

However, with consideration to the above a tenant who has a residential tenancy for greater than 12 months, could be motivated to register their lease over the property title or protect it by caveat, which could impact an owners decision to accept a longer than 12 month period where their Tenant registers the lease against the property, restricting the owners capacity in a number of ways.

Under Section 69(h) of the *Real Property Act (RPA)*, the registered proprietor's indefeasibility of title is subject to a tenancy for a term not exceeding one year, where the tenant was in actual possession of the land at the time the proprietor became registered. In short, a tenancy less than 12 months need not be registered.

This is backed up by Section 119 of the RPA, which states a lease for less than 1 year need not be registered, and any registered or recorded instrument is subject to any unregistered lease for a term not exceeding 1 year to a tenant in actual possession.

In order for property owners to start considering lease terms in excess of 12 months, the appropriate changes to the RPA would need to be considered to conjunction with the RTA in order for the changes to be effective in providing Longer Leases.

Consideration to the negative implications of a Tenant breaking their long term lease could be very significant and this is already one reason that majority of Tenants currently seek only 12 month Tenancies and greater flexibility.

A landlord can currently choose to end a periodic lease or not renew a fixed term lease without giving any reason to the tenant.

Should landlords be required to give a 'prescribed' reason for ending a periodic lease or not renewing a fixed term tenancy agreement ?

RESPONSE: No.

Without question, this discussion point is one of the most complex and talked about legislative reforms that has had the most impact on the Residential Tenancy markets interstate since first being introduced.

The introduction of mandating a prescribed reason to terminate a fixed Residential Tenancy in Victoria has evidently had a genuine negative impact on the rental market with a notable volume of Landlords moving away from fixed term rental property investments in fear of losing the ability to more fairly manage their investment property risk.

Upon inception of these reforms, interstate landlords have been targeting shorter initial term leases (6-12 months) to provide a more flexible pathway to terminate Tenancy Agreements that have not travelled amicably and resulted in undue stress and pressure on both parties.

Mandating a "prescribed reason" would place undue and excessive strain on SACAT resources whom would see a significantly increased volume of applications from both sides of the termination process. This has been very evidently observed in Victoria where the VCAT application time frame has blown out by months, when previously it was only weeks.

Mandating a prescribed "reason" will not have a positive impact for Tenants given Landlords have been selling their property as a means to an end, thereby reducing the number of private rentals available on the market.

At the very least, if "prescribed reasons" were to be introduced it would be very sound advice to provide a genuine list of prescribed reasons that allow a landlord the opportunity to exercise their rights as the property owner and Terminate an Agreement that the Tenants have breached on at least more than one occasion, or whereby continuing the tenancy would place undue stress and hardship on either or both parties.

It is a very real factor to consider that sometimes continuing a Tenancy can have widespread impacts on tenants and also owners that can result in hostile and even dangerous situations that would be further exacerbated whereby a Landlord is required to give a reason.

Forcing a landlord to sell the property as the only means of terminating an unmanageable tenancy will compound the housing crisis and deter others from investing in the fixed term property market.

Increasing the period of notice to terminate from 28 days to 60 days' notice would help provide an extended period of time for parties to navigate any termination of tenancy and avoid the unwanted and unnecessary conflict and escalations that will occur where a "reason" is required to terminate.

Currently for a fixed term lease, if a landlord chooses not to renew the lease they must give the tenant at least 28 days' notice.

Should the law be changed so that the landlord must give the tenant at least 60 days' notice if the lease won't be renewed?

RESPONSE: No.

It is currently very common (industry best practice) to enter into lease extension discussions at least 90+ days ahead of a pending lease expiry. The majority of landlords provide as much notice as possible to help the Tenants decide if they would like to extend their agreement or otherwise arrange new housing where a lease cannot be extended. Extending this period of notice well beyond the security bond amount should only be considered with absolute caution.

The impact of requiring a longer period of termination notice would likely result in Tenants being left paying double rent given that majority of Tenants will start their search for a new rental immediately being advised an extension is not possible.

A balanced approach to the period of notice should be considered for both parties. The current 28 day period has been very equitable to date and has worked for the benefit of both parties. The industry has not observed any issues or complications with the current period (28 days) in place but understand more time may be beneficial in some circumstances.

Complications would likely arise whereby Tenants have NOT accepted an extension of renewal before the 60 days period, leaving both parties exposed to a Tenancy lapsing into periodic terms sooner, unless consideration to the Extension process (and the logistics behind this) are accurately considered.

Any tenant vacating the property sooner than the expiry date would need to be considered a "break of lease", as it is not uncommon for tenants to secure properties quickly once notice has been provided by the landlord.

SECTION 2: Residential Bonds

At present the maximum amount of the bond is equal to: - 4 weeks if the weekly rent is $250 or less - 6 weeks if the week rent is over $250.

Should the amount change to $800? This would mean that tenants being charged a weekly rent of $800 or less only have to pay a maximum bond that is equal to 4 weeks' rent.

RESPONSE: Not in favour.

Increasing the current 6 week bond threshold to apply to properties that have a rent greater than $400 per week would be considered a reasonable and fair approach, without impacting on the market negatively.

The 4 weeks rent is grossly inadequate whereby unpaid rent, tenant damage, repairs and rubbish removal is a factor. With current SACAT wait times often exceeding 3-4 weeks, it would be a common scenario that the arrears and damages will outstrip the bond amount well before a hearing is even granted.

A potential flow-on affect of reducing the bond amount will place further pressure on insurance providers, claims and insurance premiums which would be an added expense to the property owner who would seek a rental increase to help counter the extra cost.

It is the experience of most landlords and their agents, that a majority of claims are for rent arrears which occur with properties well under the average weekly rent ($520pw) meaning there would be a significant increase on Insurance claims and insurance levies payable by all landlords, placing further pressure on rental prices.

The SA Government is considering whether it is practical for a bond to automatically be returned to a tenant once a certain amount of time has passed and no claim on the bond has been made.

RESPONSE: The current refund process (time frames) work very well for both parties given that either party can activate the refund request at any stage of the tenancy, and the respondent is provided a limited time to respond.

The current Bonds Online interface requires a complete overhaul to cater for any level of automation to be considered with the refund process. An automated bond return would be dependent on a variety of factors, of which would need to include a "Lease End" date, tenant details, banking information and clear and accurate communications.

If a refund request is disputed by either party, then that process should be assigned a realistic timeframe in being managed accordingly.

It is quite common knowledge that the current delays in bond refunds are most often caused by those being disputed, which automatically defaults to the need for the landlord to lodge an application with SACAT. Without significant improvements to the Bonds Online System and efficiency with SACAT any changes outside of the current would need to consider the capabilities and capacity of both.

All residential tenancy bonds in SA must be lodged with (Consumer and Business Services). Land agents must use the Residential Bonds Online system to lodge the bond, but private landlords can choose whether to use the online system or lodge the bond manually with CBS.

Should all rental bonds be lodged via the Residential Bonds Online system?

RESPONSE: Yes.

This will provide consistency of process for the tenant and RBO.

This would be a great outcome for tenants providing a consistent and secure process.

SECTION 3: Rent bidding

Should the law change so rent bidding will be prohibited?

(i.e. Should it be illegal for landlords, land agents and property managers to ask prospective tenants to offer to pay more rent than the advertised amount?)

RESPONSE: Yes.

Landlords and property managers that ask or entice prospective tenants to offer to pay more rent than the advertised amount are preying on some of the most vulnerable people in our community. This practice should be prohibited and should be made clear in the legislation. Rental "Auctions" should be banned from the marketplace.

However, it is important that a prospective tenant should be permitted to offer any amount of rent (or agreement terms) they are comfortable with, but without the landlord or property manager soliciting or requesting a higher offer.

Sometimes the rent amount is advertised as a price range (e.g. $320-$340 a week) rather than a set price (e.g. $450 a week).

Should it be illegal to advertise a price range for a residential rental property?

RESPONSE: Not in favour.

Often there are other factors that a landlord and tenant negotiate when entering into a Tenancy (rent is only one) which can impact the agreed rental amount for the Tenancy term. These can include:

- term of tenancy
- inclusions and exclusions
- furniture
- utilities
- gardening
- other parameters that landlords and tenants are often happy to negotiate in order to find an amicable agreement.

If rental advertising parameters were completely closed and restricted to only provide a singular figure, it would be likely those landlords previously offering flexible terms would simply be driven to advertise at the highest possible rate rather than considering lesser rental amounts with more favourable conditions. This would likely further drive-up rental prices in the market further.

Rental advertising standards (similar to those in sales) should provide boundaries for HOW a rental property can be advertised to ensure transparency at all times but with consideration to properties that may have attractive terms that some landlords are willing and able to provide.

The restriction of certain terms such as "best offer" or "rent negotiable" should not be allowed under any circumstance.

SECTION 4: Rooming houses and share accommodation

A rooming house is where rooms in a residential property are rented to 3 or more people. Certain rights and responsibilities apply.

Should the rooming house definition change so that houses that rent rooms to 2 or more people must comply with rooming house rights and responsibilities?

RESPONSE: Yes.

Property Managers have seen instances where Rooming House proprietors have little regard for the legislation (private operators). This can be evidenced on social media platforms where rooms are advertised on popular social media sites.

Rooming Houses generally cater for the vulnerable, recently arrived immigrants and overseas students. They are often individuals with no local support network.

Yes, the rooming house definition should change so that houses that rent rooms to **2 or more** people must comply with rooming house rights and responsibilities.

It would be recommended that consultation with the Student Housing bodies would be advisable to ensure any regulations do not impact negatively on Student Housing accommodation.

Should rooming houses that have 5 or more residents be required to register with the government, so that the government can check if the property owner or manager is 'fit and proper'?

RESPONSE: Yes.

All Rooming Houses (**houses that rent rooms to 2 or more people**) should be required to register and proprietors should meet a "fit and proper person check" which should include a National Police Clearance.

Consideration to Tenants that "sublet" rooms under their rental agreement would need to be factored into the wording of any legislation or provisions that may innocently capture sub-tenancies. This could have negative consequences for Tenants and Landlords who may be unaware they are operating as a "rooming house".

SECTION 5: Renting with pets

Currently landlords can refuse to allow pets in their rental properties, and they don't need to give any reason to tenants for their decision.

Should the law change so that landlords cannot unreasonably refuse to allow pets, if the tenant agrees to any reasonable conditions requested by the landlord?

RESPONSE: We agree that pets are to be allowed and the landlord cannot unreasonably refuse the tenant's request. In line with other jurisdictions, the legislation should allow the landlord to terminate the tenancy agreement IF permission has not been granted and/or if SACAT has made an order excluding pets from the property.

There must also be a reasonable timeframe (21 days) in which the request must be made by the tenant (during a tenancy) to provide the landlord a reasonable time to respond and make application to SACAT if they have genuine reasons for not allowing pets into the property.

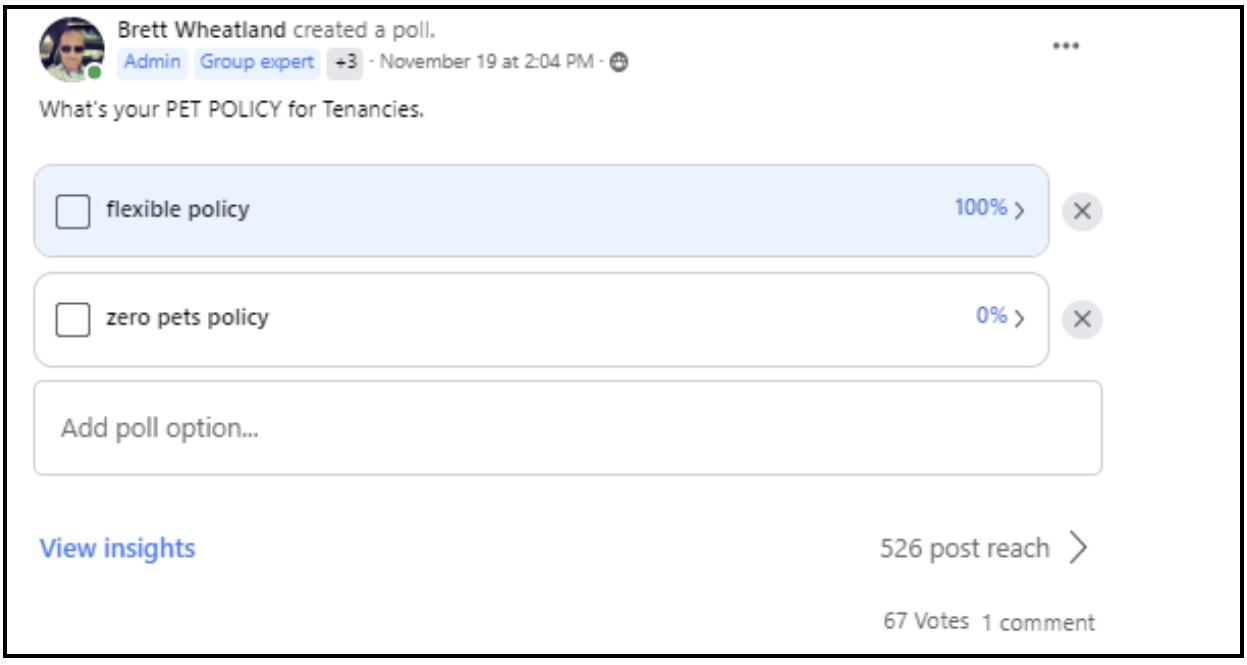
The legislation should clearly outline the liability and responsibility of the Tenant in keeping a pet on the property (outside the current Section 68), to avoid landlords being held responsible for any situations that may be brought about by the pet under the tenants watch and control.

This must include personal responsibility for securing the pet during inspections to ensure Landlords, Agents or other people are not at risk when inspecting the property and ensuring the property has adequate fencing, space and is fit for purpose.

The requirement for carpets to be professionally cleaned at the end of their tenancy agreement whereby a pet was residing at the property, should form part of the obligations of the lease holder.

We would find it surprising that any experienced professional property manager was not already properly managing rental premises that allowed pets.

**100% of SAPMC members currently encourage their clients to be flexible with accepting pets into their rental properties. Survey conducted 19 November 2022.*



Should landlords be allowed to ask tenants to pay a pet bond?

RESPONSE: Yes.

The option of a pet bond will provide landlords greater confidence and certainty in accepting pets into their rental properties. There is no doubt that landlords will be encouraged to make their properties more pet friendly to attract tenants with pets which are often already a welcome option when trying to lease their property.

This, in turn, improves the rental property stock.

The pet bond should be no more than ONE weeks rent per pet, regardless of the type of pet.

The pet bond should not be quarantined for “pet damage”.

SECTION 6: Housing standards and retaliatory evictions

Should minimum energy efficiency standards start to be introduced for rental properties?

RESPONSE: Where a new appliance is to be installed in a rental premises, the new appliance should meet a minimum energy efficiency standard. This will improve the rental stock and reduce energy costs for tenants.

The rental market has thousands of good quality homes that may struggle to meet certain modern day energy standards and applying strict energy efficiency standards to all properties with a blanket policy would see many of those properties being sold or removed from the rental market, due to the costly process of making significant improvements. This has been observed interstate, where good quality character homes of sound nature have been pushed off the market due to unrealistic standards being imposed on traditional conventional homes that cannot easily be brought to that same modernised standard.

SECTION 7: Safety modifications and minor changes

Should it be illegal for landlords to unreasonably refuse to allow tenants to make safety modifications and minor changes to the rental property?

For example - installing child safety gates, childproof latches, wall anchors to stop furniture from tipping over, wireless outdoor cameras, shower heads and internal window coverings.

RESPONSE: Yes.

The RTA should be amended to prevent the unreasonable refusal of safety modifications and minor changes. The landlord should be permitted to have a "make good" provision in any approval provided to the tenant. The legislation should define that "make good" is returning the property that was altered in an **identical** condition/state as it was prior to the alteration.

In addition to this, the real estate industry has concerns with the increased use of concealed recording and/or filming devices* installed or utilised by both tenants and landlords and the possible breach of privacy for all parties. The RTA should be amended to require that where a tenant or landlord installs or utilises a recording and/or filming device, the other party must be advised of the location of all such devices within 14 days of the installation or utilisation of such devices. This should be a term of the tenancy agreement and heavy penalties should accompany the non-disclosure of such devices.

*for example, but not limited to, security cameras, webcams, baby monitoring cams, nanny cams and the recording of virtual inspections.

The ability to make personal modifications for personal reasons should still remain a decision at the discretion of the property owner.

Should the law be tightened so that tenants can report when repairs are needed or if the house is unsafe or unsuitable for human habitation, without the risk of the landlord retaliating by increasing the rent or evicting the tenant?

RESPONSE: Industry observations are that this statement is very misguided, and perhaps something that occurs more with private landlords.

This is impossible to administer and open to abuse and manipulation. A tenant exercising their legislative rights should not prevent or restrict a landlord's natural rights under the legislation including but not limited to the natural/justifiable increase in rent or the termination/non renewal of a lease.

SECTION 8: Start of tenancy requirements

Should there be requirements to ensure more standardised forms for all rental applications, where the amount of personal information that a landlord or agent can ask prospective tenants to provide is limited?

RESPONSE: A standardised tenant application form that does not meet real estate industry standards will be detrimental to tenants applying for a rental property and create confusion amongst both tenants and property managers.

The digital tenant application industry has a limited but successful number of commercial businesses that provide quick, easy and simple application processing for Tenants.
The introduction of digital application platforms has dramatically changed the speed in which tenants can apply for and secure properties making it easier for Tenants to apply to multiple properties with little effort.

Some consideration to which personal information should be requested by the landlord would help streamline the process as it has done interstate. Consultation with the industry directly would be advantageous in helping create consistency.

The paper forms that have been discussed by Tenancy Advocacy services were phased out some years ago in the advancement of free digital tenant profiles used to apply for multiple properties across many agencies and have helped tenants secure rental properties faster.

Should renters be entitled to a free copy of the personal information that is held about them on a residential tenancy database (sometimes called a 'tenant blacklist')?

RESPONSE: Yes.

Section 99 (J) already requires *"a landlord or landlord's agent who lists personal information about a person in a residential tenancy database must, if asked in writing by the person, give the person a copy of the information within 14 days after the request is made."*

SECTION 9: Domestic violence provisions

Do you think any further changes to renting laws are needed to help support someone who is experiencing violence by another person who is on the same rental agreement?

RESPONSE: Yes.

The SAPMC are in favour of supporting any changes that better protect victims of domestic violence.

Where a person vacates a property to escape a domestic violence situation and this person has been granted a refund of their portion of the bond, the perpetrator, who remains residing in the property, must be required to “top up” the bond to the original bond amount to ensure the landlord is not disadvantaged.

Should there be consideration to a level of “proof” that would be required to ensure any abandonment or Tenancy Agreement changes reported under the Domestic Violence circumstances, to ensure the opportunity to abandon an agreement is not abused by opportunists?

SECTION 10: Water billing

When a tenant is required to pay a water bill, should the landlord be required to give a copy of the water bill to the tenant within 30 days from when the landlord received the bill?

RESPONSE: Section 73 (3)(b) currently requires the landlord to present a copy of the water account within 30 days when requested by the tenant. Automatically providing a copy of the SA Water account to the tenant when they are being invoiced, is also very common practice amongst all agents as it is a default feature of most management software systems.

However, consideration must be made to the end of a lease water account where the agent completes the final water meter reading and makes a manual calculation of the water charges owed by the tenant without an SA Water bill being available.

Requiring a copy of the SA Water account would require the landlord to arrange an SA Water meter reading which would be an added expense the owner would consider when re-evaluating the rent and dramatically delay the bond refund process.

Tenants are often required to pay for water usage. Should the law change so that landlords have to pay the water supply fee in all cases?

RESPONSE: No.

Water Supply is no different to Gas, Electricity, Telephone and Internet supply that the utility providers charge for the services being provided to the individual. With the restricted limitation of SA Water not willing to issue bills for usage direct to residents, the burden of carrying this expense is already held by the Landlord whom is acting as a credit provider before seeking re-imbursement from the Tenant.

Landlords often have their own property utilities that they need to pay and adding to the cost of maintaining this fee would cause an increase in rents with landlords looking to cover their annual expenses.

Currently, the water supply charge is $70.80 per quarter, or $5.45 per week. It is inconceivable to suggest that landlords will increase the rent by this amount only and will more likely increase the rent by, $10 or $20 per week, adding more pressure to rents in general.

If there is a reported water leak that remains unrepaired who should pay the excess water charges?

RESPONSE:

The tenants should be able to seek reasonable compensation from the landlord in respect to excess water usage resulting from a leak provided the tenant has notified, or made a reasonable attempt to notify, the landlord of the leak (however, the tenant must take reasonable steps to mitigate any water loss and is not entitled to compensation for excess water charges that could have been avoided by those steps).

At present SA Water provide all property owners a Leak Allowance that is reflected on the SA Water Account, therefore any allowance provided by SA Water is immediately passed onto the Tenant by way of normal invoicing.

SECTION 11: Illegal drug activity

If a landlord knows or suspects that illicit drugs have been produced or regularly smoked in their property, should they be required to remedy any contamination or other damage before they lease the property and also provide evidence of this to prospective tenants?

RESPONSE: In most cases landlords and property managers would be unaware of the use and/or manufacture of illicit drugs in a rental premises (which may have recently been purchased). However, law enforcement or other agencies may be aware of such activities taking place at the premises.

To properly protect tenants a regulated regime to notify the landlord and/or property manager must be established so the landlord can conduct the necessary remediation. This regime not only protects the new, incoming tenant but also allow the landlord to pursue the outgoing tenant for remediation costs.

If it is proven (with evidence) that drug activity has taken place, then the landlord or their agent should disclose this information prior to entering into a Tenancy Agreement.

SECTION 12: Third party payments

Some landlords or agents have an arrangement with a third party to collect rent payments, and tenants are being charged a collection fee on top of their rent.

Should a collection fee that is charged to tenants be allowed or prohibited?

RESPONSE: Third party payments should only be offered where a tenant is also offered a rent payment method that does not incur any additional charges or inconvenience.

SECTION 13: Modernisation of language

Some of the wording used in the Residential Tenancies Act 1995 could be replaced with more modern wording.

Should the word 'landlord' be replaced?
RESPONSE: No

Should the word 'tenant' be replaced?
RESPONSE: No

Should the term 'residential tenancy agreement' be replaced?
RESPONSE: No

RESPONSE: Changing the "language" or "terminology" has proven to be a confusing and pointless exercise in other jurisdictions.

Do you have any other suggested changes to SA's renting laws, that are not addressed in the discussion paper?

RESPONSE: Yes

"Consumables" at tenant's cost, e.g. remote batteries, water filters, globes – this causes unnecessary entry by the landlord over trivial matters that can be easily rectified by most tenants

"Right of Entry" each provision under Section 72 of the RTA should also include a provision for "as mutually agreed between the tenant and landlord". This will provide further flexibility and efficiencies.

"Ability to mediate rental arrears" from 7 days (Form 2) should be considered.

"Threatening and aggressive behaviour by tenant" – landlords and property managers need greater protection in the RTA

Any individual providing another individual advice regarding the operation of the RTA should hold the same level of license qualification as a Registered Property Manager.

Any property listed for SALE should be required to include a COPY of the documentation pertaining to that tenancy, for which the Sale is subject to in the Form 1 (vendor's statement).

RTA Section 78a - Compensation for Expenses - If, as a direct consequence of a tenant being at fault, a landlord reasonably incurs costs or expenses in connection with the residential tenancy agreement, the landlord is entitled to compensation for the costs or expenses.

*S*hould be extended to include SACAT Fees which should be payable by the Tenant, whereby the Tenant is found at fault or in breach of the agreement that has resulted in the Landlord having to pay the Application fee to recoup the costs.

Do you believe that your Landlords will exit the investment market if these reforms are introduced?

RESPONSE: Yes

Three reasons why we see and have seen landlords leaving the rental property market (including interstate):

> Over-regulation

> Imbalance of the legislation removing basic and reasonable controls from property investors

> High property taxing environment and cost burdens compared to rental income received and corresponding financial risks

> Evidence based assessment from discussions and consultation with other state industry bodies.

Do you believe that your Landlords will be inclined to move to shorter term accommodation (i.e. AirBnB) of these reforms are introduced?

RESPONSE: Yes

Certain market places have seen a shift towards the de-regulated Short Term holiday rental industry, others in the other direction.

Victoria and Queensland have seen a genuine and measurable increase in short term rental accommodation markets with landlords choosing higher yields, less regulation and greater control over their investment.

Do you support the reduction from 15 days to 8 days for the ability to issue a Form 2 for rent arrears?

RESPONSE: Yes

The current bond amounts in addition to delays to Tribunal hearings and escalating repair, cleaning, rubbish removal and storage costs has made 14 days in arrears problematic.

Do you support the reduction from 28 days to 14 days for the storage of valuable abandoned property?

RESPONSE: Yes

Reducing the storage period for valuable abandoned property is likely to lead to reduced storage cost incurred by the tenant as the valuable abandoned property would be stored at the rental premises. In most cases this will eliminate the need for packing, transport and storing in alternative facilities for the required current 28-day period. This is a considerable cost saving for the tenant and would perfectly align with other state requirements.

Do you support break leases costs for all Form 2 issued (not just rent arrears) if a tenant vacates pursuant to the Form 2?

RESPONSE: Yes

For consistency of approach and eliminating the practice of using a Form 2 breach (other than for rent arrears) to break a lease.

Behaviour of private landlords

The lack of standards required by private landlords leads to clear breaches of the RTA. We continue to support a landlord's right to manage their own property, however we are concerned that there are no minimum standards or level of knowledge required by these landlords.

It is common to see evidence of

> bonds not being lodged and in excess of the legislative amount

> demands that rent must be paid in cash only and often with no receipts issued and no rent records maintained

> landlord's statutory charges being charged to the tenant

> poorly maintained properties/appliances

> standover/intimidation tactics